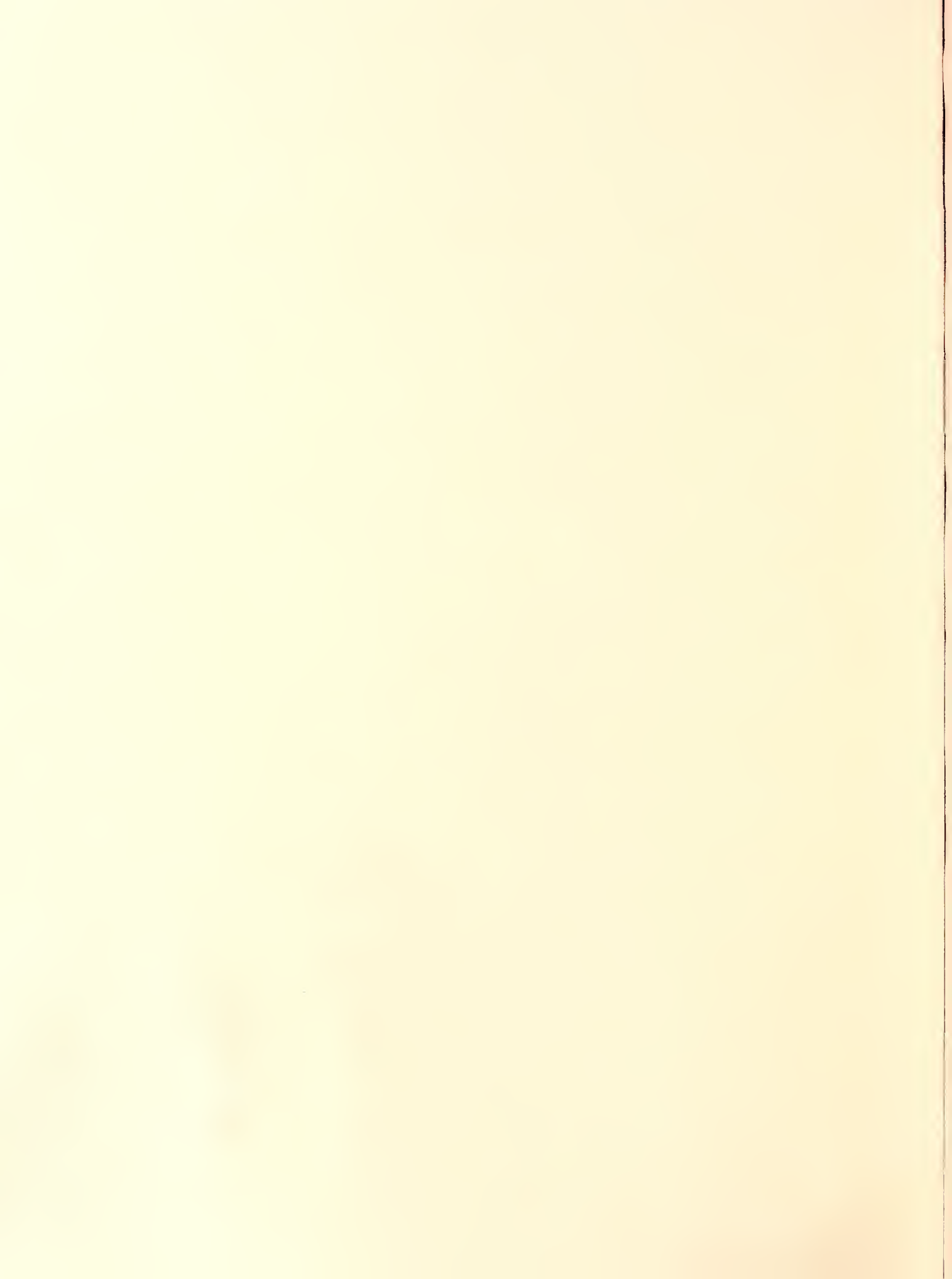


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Season's Greetings

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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE, MARKETING AREA
NOVEMBER 1971

Released Pursuant to \$1090.27(j) and \$1090.85, USDA-C&MS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - NOVEMBER 1971

The Chattanooga Order MINIMUM uniform producer price is \$6.25 per cwt. at pool plants (0-65 mile zone) for milk testing 3.5% butterfat. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 3.5% test. Producer milk prices are also subject to the location adjustment of the plant at which milk was received per \$1090.53 and \$1090.74.

In November 1971, 66.1% of producer milk received by pool plants was priced in Class I at \$6.97 per cwt. and 33.9% was priced in Class II at \$4.84 per cwt. The November butterfat differential for Class I was 8.2 cents and Class II was 7.8 cents.

Total producer milk received at pool plants during November 1971 was 36,098,920 pounds which is an increase of 3,852,722 pounds or 11.9% compared with November 1970. The November daily average deliveries from 767 producers was 1,569 pounds. This compares to 745 farms delivering a daily average of 1,443 pounds per day during November 1970.

HEARING ON AMENDING ALL 62 FEDERAL MILK ORDERS

The U. S. Dept. of Agriculture held a public hearing in Washington, D. C., Dec. 13, to consider amending all 62 Federal milk marketing orders to provide for earlier announcements of the monthly minimum Class I (bottling milk) prices to be paid by handlers, and to base the Class I prices on earlier manufacturing milk prices (basic formula price) than at present. After evaluating the hearing evidence, USDA marketing officials will decide whether to recommend amending the orders as now proposed.

The hearing was requested by the Milk Industry Foundation, representing handlers doing business under the 62 orders. Specifically, under each of the orders, the handler proposals would:

- 1) Require that the Class I price for each month be announced by the fifth day of the preceding month.
- 2) Use the basic Minnesota-Wisconsin manufacturing milk price series for the second preceding month, instead of the immediately preceding month, in computing the Class I prices each month.

The handlers are asking for the changes so that in conducting their current operations they will know well in advance of any change in their raw material cost (the minimum Class I price they must pay dairy farmers) and can adjust their selling prices accordingly. They said they now do not know the specific Class I price until the fifth day of the month to which it applies.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Nov. '71 Over Nov. '70	Nov. 1971	Oct. 1971	Nov. 1970
Number of Plants - Pool		7	7	6
- Non-Pool		13	13	14
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 11.9	1,203,297	1,185,676	1,074,873
Other Source	+ 34.6	35,695	38,528	26,526
Other Federal Orders	+ 95.4	127,337	110,462	65,152
TOTAL MILK RECEIPTS	+ 17.1	1,366,329	1,334,666	1,166,551
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 5.2	467,405	452,504	444,255
Skim	+ 2.3	21,660	21,303	21,170
2% Milk	+ 36.1	136,399	130,180	100,214
Buttermilk	+ 11.8	58,287	57,893	52,152
Flavored Milk and Drink	+ 26.7	20,750	20,297	16,381
Creams (Sweet and Sour)	+ 10.3	3,921	3,386	3,556
Yogurt	+138.4	646	704	271
Sub-Total - Pkg. Products (Pool Plants)	+ 11.1	709,068	686,267	637,999
Other (Shrinkage, Inventory, etc.)		7,184	6,418	4,510
Sales to Non-Pool Plants		134,168	202,406	218,771
In-Area Sales by Non-Pool Plants	- 0.4	48,772	48,233	48,947
TOTAL CLASS I MILK	- 1.2	899,192	943,324	910,227
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 16.7	51,823	51,898	44,402
Cottage Cheese	- 1.7	37,575	38,684	38,219
Powdered and Condensed Milk		-0-	-0-	13,621
Livestock Feed and Milk Dumped		7,413	6,460	5,647
Sub-Total - Used to Produce	- 5.0	96,811	97,042	101,889
Shrinkage Class II		18,039	15,781	13,600
Other (Inventory Variation, etc.)		(2,345)	6,827	21,754
Bulk Sales to Non-Pool Plants		354,632	271,692	119,081
TOTAL CLASS II MILK	+ 82.2	467,137	391,342	256,324
Class I Pkg. Lbs. In Area - Pool Plants	+ 13.7	531,637	515,715	467,524
Class I Pkg. Lbs. Out of Area-Pool Plants	+ 4.1	177,431	170,552	170,475
Class I Pkg. Lbs. In Area - Non-Pool Plants	- 0.4	48,772	48,233	48,947
% Producer Milk of Gross Class I		133.8	125.7	118.1
% Producer Milk Priced in Class I		66.1	71.2	78.9

CLASS I DAILY AVERAGE POUNDS ON ROUTES IN THE MARKETING AREA
BY OTHER ORDER PLANTS AND PARTIALLY REGULATED DISTRIBUTING PLANTS

	% '70/'71	Nov. 1971	Oct. 1971	Nov. 1970
Homo Milk	+ 0.2	38,121	37,518	38,054
Skim	- 11.1	248	289	279
2% Milk	+ 1.6	6,152	5,616	6,053
Buttermilk	- 5.4	3,088	3,179	3,263
Flavored Milk & Drink	- 12.3	1,109	1,589	1,265
Creams (Sweet & Sour)	+ 63.6	54	42	33
Total Daily Average Disposition	- 0.4	48,772	48,233	48,947
No. of partially regulated plants		2	2	1
No. of other order plants		11	11	13
Total Non-Pool plants		13	13	14

COMPUTATION OF PRODUCER UNIFORM PRICE

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NOVEMBER 1971	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		26,975,746	3.200		
Less Other Source		3,109,047	2.569		
Producer Milk Class I	66.1	23,866,699	3.281757	\$6.791041	\$1,620,797.31
Gross Class II		14,014,127	5.086		
Less Other Source		1,781,906	4.143		
Producer Milk Class II	33.9	12,232,221	5.222919	\$6.183877	756,425.50
TOTAL PRODUCER MILK (Cl.I+Cl.II)	100.0	36,098,920	3.939525		\$2,377,222.81
Less Fractional Adjustment					.20
Add Value of Overage					787.48
Add Value of Class I Other Source and Producer Location Adjustment		7,659	0.00		4,937.19
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					15,535.32
TOTAL VALUE AT TEST		36,106,579	3.938689	\$6.642786	\$2,398,482.60
Less Test over 3.5% @8.0¢ per point		36,106,579	.438689	0.350951	126,716.40
TOTAL UTILIZATION VALUE AT 3.5%		36,106,579	3.5	\$6.291835	\$2,271,766.20
Less Reserve Per \$1090.71 (f)		36,106,579		.041835	15,105.19
PRODUCER UNIFORM PRICE - 3.5% TEST		36,106,579	3.5	\$6.25	\$2,256,661.01

NOVEMBER 1971 MINIMUM PRODUCER PRICES CWT. f.o.b. POOL PLANTS (0-65 mile zone)
BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$5.85	3.6	\$6.33	4.2	\$6.81	4.8	\$7.29	5.4	\$7.77
3.05	5.89	3.65	6.37	4.25	6.85	4.85	7.33	5.45	7.81
3.1	5.93	3.7	6.41	4.3	6.89	4.9	7.37	5.5	7.85
3.15	5.97	3.75	6.45	4.35	6.93	4.95	7.41	5.55	7.89
3.2	6.01	3.8	6.49	4.4	6.97	5.0	7.45	5.6	7.93
3.25	6.05	3.85	6.53	4.45	7.01	5.05	7.49	5.65	7.97
3.3	6.09	3.9	6.57	4.5	7.05	5.1	7.53	5.7	8.01
3.35	6.13	3.95	6.61	4.55	7.09	5.15	7.57	5.75	8.05
3.4	6.17	4.0	6.65	4.6	7.13	5.2	7.61	5.8	8.09
3.45	6.21	4.05	6.69	4.65	7.17	5.25	7.65	5.85	8.13
3.5	6.25	4.1	6.73	4.7	7.21	5.3	7.69	5.9	8.17
3.55	6.29	4.15	6.77	4.75	7.25	5.35	7.73	5.95	8.21

TWO MIDWEST ORDERS CONSIDER MILK PROMOTION

The U. S. Department of Agriculture held a public hearing on November 18 in Des Plaines, Illinois, to consider amending the Chicago Regional and Indiana Federal milk marketing orders to provide for advertising, research, and promotion plans for milk products. This hearing was requested by dairy cooperatives representing a majority of the farmers supplying milk to each of the two markets.

The adoption in a Federal milk order of provisions for the advertising, research, and promotion of milk was authorized by a recent 1971 amendment to the Agricultural Marketing Agreement Act. These programs would be financed by deductions made from returns due producers, but a refund would be made when requested by any individual producer.

Approval by producers is required to incorporate such promotion provisions into an order, but other provisions would not be affected if the promotion provisions should be disapproved by producers. After carefully evaluating all of the hearing evidence, USDA will decide whether or not to recommend amending the orders. Any recommended change would then be submitted to dairy farmers for their required two-thirds majority approval.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/ Per Hundredweight				HANDLER CLASS PRICES 1/ Class I Class II			
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Nov. '70	\$6.47	-	-	8.2¢	\$6.92	8.4¢	\$4.82	8.0¢
Dec.	6.30	-	-	8.2	6.97	8.4	4.83	8.1
Jan. '71	6.28	-	-	8.2	6.98	8.4	4.79	8.0
Feb.	6.36	-	-	8.2	6.94	8.4	4.83	8.0
Mar.	6.21 2/	\$6.32	\$4.81	8.2	6.98	8.4	4.81	8.0
Apr.	6.04 2/	6.20	4.83	8.2	6.96	8.4	4.83	7.8
May	5.97 2/	6.17	4.77	8.0	6.98	8.1	4.77	7.8
June	5.95 2/	6.09	4.76	8.0	6.92	8.1	4.76	7.8
July	5.95 2/	6.09	4.77	8.0	6.91	8.1	4.77	7.8
Aug.	5.92	-	-	8.0	6.92	8.1	4.77	7.8
Sept.	6.30	-	-	8.0	6.92	8.1	4.83	7.8
Oct.	6.35	-	-	8.0	6.98	8.2	4.82	7.8
Nov.	6.25	-	-	8.0	6.97	8.2	4.84	7.8
Dec.	-	-	-	-	6.99	8.2	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE (Daily Average)			
	Chi. 92° Butter ¢ Lb.	Chi. Area Powder ¢ Lb.	Minn/Wisc. Mfg. Milk \$-Cwt-3.5%	Basic Formula Minimum	Class I Pounds	Test-%	Class II Pounds	Test-%
Nov. '70	69.88	26.82	\$4.82	\$4.33	848,594	3.41	226,279	6.46
Dec.	70.40	26.90	4.83	4.33	760,876	3.36	342,699	5.48
Jan. '71	69.77	26.91	4.79	4.33	775,537	3.32	326,520	5.91
Feb.	69.78	27.12	4.83	4.33	770,040	3.34	251,416	6.51
Mar.	69.78	27.21	4.81	4.33	708,198	3.27	347,418	5.33
Apr.	67.78	29.19	4.83	4.33	749,022	3.23	536,940	4.46
May	67.78	31.57	4.77	4.33	751,952	3.18	604,745	4.25
June	67.78	31.55	4.76	4.33	696,375	3.19	545,571	4.27
July	67.78	31.63	4.77	4.33	693,356	3.22	543,645	4.25
Aug.	67.78	31.53	4.77	4.33	632,385	3.22	510,832	4.28
Sept.	68.13	31.63	4.83	4.33	872,513	3.28	336,032	4.84
Oct.	67.95	31.70	4.82	4.33	844,555	3.25	341,121	5.26
Nov.	67.94	31.61	4.84	4.33	795,557	3.28	407,740	5.22

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/			PRODUCER DATA				DELIVERIES PER		
	No.	Total	Class I	No.	Total	Base	Average	Farm	----	Pounds
	Hdlers	Receipts	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Nov. '70	20	1,166,551	910,227	745	1,074,873	-	4.06	1,443	-	-
Dec.	19	1,212,913	822,193	743	1,103,575	-	4.02	1,485	-	-
Jan. '71	19	1,201,136	838,128	739	1,102,057	-	4.09	1,491	-	-
Feb.	19	1,130,134	833,673	731	1,021,456	-	4.12	1,397	-	-
Mar.	19	1,169,574	771,192	693	1,055,616	980,583	3.95	1,523	1,415	108
Apr.	20	1,411,347	812,400	854	1,285,962	1,142,972	3.74	1,506	1,338	168
May	20	1,489,326	810,302	890	1,356,697	1,167,808	3.66	1,524	1,312	212
June	20	1,346,798	746,820	886	1,241,946	1,117,489	3.67	1,402	1,261	141
July	21	1,372,089	791,680	905	1,237,001	1,109,761	3.67	1,367	1,226	141
Aug.	20	1,286,252	724,933	792	1,143,217	-	3.69	1,443	-	-
Sept.	20	1,356,381	967,949	789	1,208,545	-	3.71	1,532	-	-
Oct.	20	1,334,666	943,324	789	1,185,676	-	3.83	1,503	-	-
Nov.	20	1,366,329	899,192	767	1,203,297	-	3.94	1,569	-	-

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I